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**SCHEDULE P**  
**(Form 1120-FSC)**

Department of the Treasury  
Internal Revenue Service

**Transfer Price or Commission**

For amount reported on line \_\_\_\_\_, Schedule \_\_\_\_\_, Form 1120-FSC.

▶ **Attach Schedule P to Form 1120-FSC.**

OMB No. 1545-0935

**2004**

Name as shown on Form 1120-FSC

Employer identification number

**A** Product or product line (see instructions)

**B** Basis of reporting (see instructions):

1. Transaction-by-transaction:

a. Aggregate on Schedule P . . . . . ☐

b. Aggregate on tabular schedule . . . . . ☐

c. Tabular schedule of transactions . . . . . ☐

2. Group of transactions . . . . . ☐

**C** Principal business activity code (if applicable) (see instructions)

**Part I FSC Profit**

**Section A—Combined Taxable Income** (see instructions)

**Full Costing**

1	Foreign trading gross receipts from transaction between FSC or related supplier and third party . . . . .	1		
2	Costs and expenses allocable to foreign trading gross receipts from transaction:			
a	Cost of goods sold attributable to property if sold, or depreciation attributable to property if leased . . . . .	2a		
b	Related supplier's expenses allocable to foreign trading gross receipts (see instructions) . . . . .	2b		
c	FSC's expenses allocable to foreign trading gross receipts . . . . .	2c		
d	Add lines 2a through 2c. . . . .	2d		
3	<b>Combined taxable income.</b> Subtract line 2d from line 1. If zero or less, enter -0- . . . . .	3		

**Marginal Costing**

4	Foreign trading gross receipts from resale by FSC, or sale by related supplier, to third party . . . . .	4		
5	Costs and expenses allocable to foreign trading gross receipts from sale:			
a	Cost of direct material attributable to property sold . . . . .	5a		
b	Cost of direct labor attributable to property sold . . . . .	5b		
c	Add lines 5a and 5b. . . . .	5c		
6	Subtract line 5c from line 4. If zero or less, skip lines 7 through 11 and enter -0- on line 12 . . . . .	6		
7	Gross receipts of related supplier and FSC or controlled group from foreign and domestic sales of the product or product line . . . . .	7		
8	Costs and expenses of related supplier and FSC or controlled group allocable to gross income from sales:			
a	Cost of goods sold attributable to property sold . . . . .	8a		
b	Expenses allocable to gross income . . . . .	8b		
c	Add lines 8a and 8b. . . . .	8c		
9	Subtract line 8c from line 7. If zero or less, skip lines 10 and 11 and enter -0- on line 12 . . . . .	9		
10	Overall profit percentage. Divide line 9 by line 7. Check if the controlled group optional method is used. ▶ <input type="checkbox"/>	10		%
11	Overall profit percentage limitation. Multiply line 4 by line 10. . . . .	11		
12	<b>Combined taxable income.</b> Enter the smaller of line 6 or line 11 . . . . .	12		

**Section B—23% of Combined Taxable Income Method** (see instructions)

13	Multiply line 3 or line 12 (as elected by related supplier) by 23% . . . . .	13		
14	<b>FSC profit.</b> Enter amount from line 13. If marginal costing is used, enter the smaller of line 3 or line 13. . . . .	14		

**Section C—1.83% of Foreign Trading Gross Receipts Method** (see instructions)

15	Multiply line 1 by 1.83% . . . . .	15		
16	Multiply line 3 or line 12 (as elected by related supplier) by 46% . . . . .	16		
17	<b>FSC profit.</b> Enter the smallest of line 3, line 15, or line 16 . . . . .	17		

**Part II Transfer Price From Related Supplier to FSC**

18	Enter amount from line 1 or line 4, whichever is applicable . . . . .	18		
19a	<b>FSC profit.</b> Enter amount from line 14 or line 17, whichever is applicable . . . . .	19a		
b	FSC expenses allocable to foreign trading gross receipts from transaction . . . . .	19b		
c	Add lines 19a and 19b . . . . .	19c		
20	<b>Transfer price from related supplier to FSC.</b> Subtract line 19c from line 18 (see instructions) . . . . .	20		

**Part III FSC Commission From Related Supplier**

21	<b>FSC profit.</b> Enter amount from line 14 or line 17, whichever is applicable . . . . .	21		
22	FSC expenses allocable to foreign trading gross receipts from transaction . . . . .	22		
23	<b>FSC commission from related supplier.</b> Add lines 21 and 22 (see instructions). . . . .	23		